

Message Text

CONFIDENTIAL

PAGE 01 KINGST 02224 100743Z
ACTION ARA-10

INFO OCT-01 EUR-12 IO-13 ISO-00 GSA-02 ITC-01 AGRE-00
AID-05 CIAE-00 COME-00 EB-07 FRB-03 INR-07
NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 L-03 H-01 PA-01 PRS-01 IGA-02 /115 W
-----100750Z 109797 /21/14

R 061330Z MAY 77
FM AMEMBASSY KINGSTON
TO SECSTATE WASHDC 5136
INFO AMEMBASSY BONN
AMEMBASSY CARACAS
AMEMBASSY LONDON
AMEMBASSY OTTAWA
AMEMBASSY PORT OF SPAIN
AMEMBASSY THE HAGUE
USMISSION MTN GENEVA
USMISSION GENEVA

C O N F I D E N T I A L KINGSTON 2224

C O R R E C T E D C O P Y (MRN 2224 VICE 2188)

E.O. 11652: GDS
TAGS: EFIN, EAID, JM
SUBJECT: JAMAICAN GOVERNMENT CONCERN ABOUT CCC CREDITS AND PL-480

REF: KINGSTON 2188

1. SUMMARY: US TEAM REPS MET MAY 4 WITH GOJ TEAM TO
DISCUSS CCC CREDITS AND PL-480. GOJ STRESSED FUNDAMENTAL
AND VITAL IMPORTANCE TO JAMAICA OF FINANCING FOR FOOD
IMPORTS, NOT ONLY IN LIGHT OF CURRENT BALANCE OF PAYMENTS
CRISIS BUT BECAUSE OF SOCIAL CONSIDERATIONS AS WELL.
THEY EXPRESSED FRUSTRATION WITH DIFFICULTIES POSED BY
POLITICAL RISK REQUIREMENT FOR CCC CREDITS, NOTING THT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINGST 02224 100743Z

THIS REQUIREMENT ALSO MAKES IT INCREASINGLY DIFFICULT TO
OBTAIN NORMAL COMMERCIAL CREDITS. END SUMMARY.

2. GOJ REPRESENTATIVES (FRANK FRANCIS, WARREN WOODHAM,
DEXTER ROSE AND OTHER OFFICIALS FROM FINANCE, COMMERCE
AND INDUSTRY MINISTRIES) OUTLINED APPLICATION FOR \$10
MILLION CREDIT FOR CORN AND WHEAT AND PROBLEMS WHICH HAVE

ARISEN OF FIRST NATIONAL BANK OF CHICAGO'S AND OTHER BANKS
UNWILLINGNESS TO ASSUME POLITICAL RISK
GUARANTEE.
ROSE ASSERTED THAT IF POLITICAL RISK REQUIRE-
MENT WAIVED, BANK WOULD AGAIN BE INTERESTED BUT THAT
BANK NOT NOW PREPARED TO ASSUME RISK EVEN AT HIGHER
INTEREST RATE. COMMODITIES CONTRACTED FOR IN ANTICIPATION
OF THIS CREDIT ALREADY ARRIVING IN JAMAICA AND BEING
FINANCED IN PART BY \$1 MILLION CREDIT WITH FIRST NATIONAL
BANK OF CHICAGO. GOJ HAS ALSO APPROACHED USDA FOR CCC
CREDIT FOR ADDITIONAL \$10 MILLION CCC CREDIT FOR CORN BUT HAS
NOT APPROACHED BANKS BECAUSE OF POLITICAL RISK PROBLEM.
ROSE NOTED THAT WITHDRAWAL OF FIRST CREDIT EXACERBATES
FURTHER PROBLEM OF FOREIGN EXCHANGE SHORTAGE.

3. JAMAICAN FINANCE MINISTRY NOW PUTTING TOGETHER ELEMENTS
OF REQUEST FOR \$10 MILLION IN CORN UNDER PL-480 IN LIEU
OF SECOND CCC REQUEST. US TEAM NOTED SEVERE CONSTRAINTS
USG UNDER IN FY-77 GIVEN THAT ALL TITLE I IN 25 PERCENT
CATEGORY ALREADY ALLOCATED. US TEAM INDICATED THAT IT
WOULD EXPLORE POSSIBILITIES ON RETURN TO WASHINGTON BUT
THAT CHANCES OF DOING ANYTHING FOR JAMAICA IN THIS AREA
NOT GOOD. PROBLEM OF USUAL MARKETING REQUIREMENTS ALSO
OUTLINED.

4. FRANCIS SUMMED UP DISCUSSION BY EMPHASIZING TWO POINTS:
POLITICAL RISK ELEMENT INJECTS UNCERTAINTY INTO ALL
ATTEMPTS BY GOJ TO NEGOTIATE CREDITS, INCLUDING COMMERCIAL
CREDITS, AND PER CAPITA INCOME CRITERION IS NOT ADEQUATE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KINGST 02224 100743Z

TEST OF NEED. FRANCIS ALSO EXPRESSED UNCERTAINTY ABOUT
CRITERIA USED IN JUDGING EXTENT OF POLITICAL RISK. ON
WHAT BASIS, HE ASKED, IS JAMAICA INCLUDED IN SAME CATEGORY
AS COUNTRIES LIKE ICELAND, IRELAND, UK, SOUTH AFRICA,
AND PANAMA.

5. IN SUBSEQUENT MEETING BETWEEN FRANCIS AND LION, LATTER
INDICATED THAT FOLLOWING US TEAM'S RETURN TO WASHINGTON,
HE WOULD LOOK INTO MATTER AND ARRANGE FOR CLARIFICATION AND
EXPLANATION TO FRANCIS.
DORRANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, SUGAR, BAUXITE, DIPLOMATIC DISCUSSIONS, TRADE AGREEMENTS, NEGOTIATIONS, RUM, EXPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 06-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KINGST02224
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770163-1097
Format: TEL
From: KINGSTON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770586/aaaacwel.tel
Line Count: 108
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9fbf8a99-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 KINGSTON 2188
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2618512
Secure: OPEN
Status: NATIVE
Subject: JAMAICAN GOVERNMENT CONCERN ABOUT CCC CREDITS AND PL-480
TAGS: EFIN, EAID, JM, (FRANCIS, FRANK), (DAVIS, CARLTON)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/9fbf8a99-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009